



County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration
500 West Temple Street, Room 713, Los Angeles, California 90012
(213) 974-1101
<http://ceo.lacounty.gov>

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June 21, 2011

To: Mayor Michael D. Antonovich
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From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name and title.

WASHINGTON, D.C. UPDATE - S. 911 (ROCKEFELLER), PUBLIC SAFETY SPECTRUM AND WIRELESS INNOVATION ACT

Pursuant to the County Budget deliberations discussion of June 20, 2011, this memorandum contains a preliminary analysis of the undeveloped S. 911 (Rockefeller), Public Safety Spectrum and Wireless Innovation Act.

On June 8, 2011, the Senate Committee on Commerce, Science and Transportation passed S. 911, by a 21 to 4 vote, after approving 20 amendments, including a major substitute amendment. As introduced on May 9, 2011, S. 911 was a one-page placeholder "spot" bill. **The Committee has not yet reported the bill, as amended; however, the County's Washington, D.C. advocates obtained a copy of the unofficial bill text of the Committee-passed bill.**

S. 911 would reallocate 10 megahertz of radio spectrum, known as the "D Block", to create a nationwide public safety broadband network to support interoperable communications for first responders. The legislation would also provide the Federal Communications Commission (FCC) the authority to conduct incentive auctions of commercial spectrum, and the funds from these incentive auctions would be used to pay for the deployment of the public safety network.

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Based on a quick review of the unofficial bill language, major provisions of County interest are as follows:

- Creates a Public Safety Trust Fund within the U.S. Treasury Department, which would be funded by revenues from the National Telecommunications and Information Administration (NTIA) spectrum auction, as well as FCC commercial spectrum auctions.
- Establishes a new Public Safety Broadband Corporation ("Corporation"), which would be granted a license for managing the "D Block" and existing public safety broadband spectrum, and would also be responsible for building, deploying, and operating a nationwide public safety interoperable broadband network. The Corporation would be required to enter into agreements to utilize, to the maximum extent economically desirable, existing commercial or other communications infrastructure and Federal, State, and local government infrastructure.
- The distribution of the funding from the Public Safety Trust Fund would include \$250.0 million in nationwide funding to be deposited into a new State and Local Implementation Fund, and \$11.75 billion to be deposited for use by the Corporation.

S. 911 has potential implications for the development of the Los Angeles Regional Interoperable Communications System (LA-RICS) because spectrum from the "D Block" may be needed, along with potential partnership with private-sector entities for use of existing infrastructure, in order to fully build out the broadband component of the LA-RICS system in the most efficient and cost effective manner. Most major law enforcement and public safety advocacy organizations have endorsed proposals to grant all of the "D Block" spectrum for public safety communication purposes, and would view S. 911 as a preferable alternative to an auction of this spectrum to private-sector entities, which would create uncertainty for next-generation systems, such as LA-RICS because of the amount of spectrum that is needed to fully deploy the system.

The legislative outlook for the enactment of S. 911 or similar legislation is uncertain at this time. While the bill was approved in the Senate Committee on a strong bipartisan vote, concern was expressed during the mark-up about the ultimate cost of the bill, the viability of the Public Safety Broadband Corporation, and the lack of a strong deficit reduction component. The Congressional Budget Office (CBO) cost estimates of the bill, which must accompany the committee report, is likely to influence the ultimate prospects of this legislation on the Senate Floor. In addition, future movement of the bill could be affected by the final outcome of current bipartisan deliberations on the deficit reduction agreement that would accompany an increase in the Federal debt ceiling.

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Senator DeMint (R-SC) voted against the bill in Committee on the grounds that the "D Block" spectrum should be auctioned with proceeds used to reduce the Federal deficit rather than giving it away.

The House is on a much slower track regarding consideration of companion legislation. While several informational hearings have been held, the Energy and Commerce Committee, which has jurisdiction over this issue in the House, has not yet scheduled any mark-up on similar legislation. Moreover, it still appears that there is more bipartisan support in the House for auctioning the "D Block" spectrum, rather than allocating it directly for public safety purposes as proposed under S. 911. An auction of the "D Block" previously had been scored by the CBO as potentially raising \$3.0 billion in revenue. Because of budget and other considerations, the Energy and Commerce Committee is unlikely to consider legislation on this issue until sometime this fall. It remains unclear how the fundamental disagreements between the House and Senate can be bridged if or when the Senate passes S. 911.

Furthermore, similar to most major Federal bills, the unofficial bill language does not expressly define key terms, and leaves many key policies and actions up to Federal agencies, including the Federal Communications Commission, which is responsible for allocating spectrum, and the newly established Corporation.

The Los Angeles Regional Interoperable Communications System Authority's staff is also analyzing S. 911, as amended, and is scheduled to provide a report to its Board of Directors on July 7, 2011.

The Chief Executive Office is working with County Counsel, LA-RICS Authority, and other affected departments to analyze the bill's provisions and determine potential impact on the development of the LA-RICS system, including the current procurement process.

We will continue to keep you closely advised.

WTF:RA
MR:MT:OR:lm

c: All Department Heads
Legislative Strategist